



## MEETING REPORT

### Meeting with the Director General for Regional Policy

A meeting was held in Brussels on 20 July 2010 between Mr Dirk Ahner, Director General for Regional Policy of the European Commission and the CPMR's Islands Commission.<sup>1</sup>

The aim of this discussion was to talk generally about the islands in the context of discussions on the future cohesion policy, and more especially to address the issue of the statistical approach to island territories.

#### Context.

This meeting followed the publication of a Working Document on "specific territories", the methodology and conclusions of which had come in for some sharp criticism from the Islands Commission as well as from various other organisations representing the so-called "specific" territories.

The Director General was very open to discussion, and talks lasted almost two hours.

#### **The main points to emerge from these discussions are listed below:**

- Negotiations on the future of the forthcoming cohesion policy are set to be tough, with "rigour" being the keyword of all Member States.

The hypothesis of an EU budget limited to 0.7% of the EU's GDP would be put forward by some as a basis for negotiation.

Whatever the compromise, it seemed that the practice granting "favours" to some territories at the end of the negotiation, subsidiary to the general agreements, could be jeopardised.

- Beyond the question of the overall amount of the said budget, there is the issue of how it is allocated, with two opposing factions: those who uphold a "sectoral" approach and those - including DG Regio - who favour a "territorial" approach through cohesion policy.

Supporters of an increase in sectoral budgets (environment, transport, energy, etc.) criticise the Commission for having excessively promoted a bottom-up approach (through regional policy) depriving the Union of its efficiency, whereas it ought to have a more top-down and targeted approach. One of the arguments used to shift financial resources over to sectoral policies (at the expense of cohesion policy) is that this would not require any particular administrative efforts, since "sectoral" administrations are already in place within the Commission.

**It was pointed out to Mr Ahner that the Treaty has long obliged certain sectoral policies to take into account the situation of the peripheral and island Regions (e.g. Article 170 of the Treaty on Trans-European Networks), but that in practice this has hardly been applied. Quite apart from the "sectoral" versus "territorial" debate, what matters for the islands is that the articles of the Treaty concerning them (170 and 174) are actually implemented.**

- There was therefore going to be some lively discussion before an agreement was reached, and Mr Ahner underlined the usefulness of CPMR's recent initiative with President Barroso, judging that the peripheral maritime Regions would be well advised to reiterate their position throughout the upcoming debates.

---

<sup>1</sup> Persons attending the meeting, apart from the Director General, were Mr Jean Peyrony, Analyst at DG REGIO, Mr Rodrigo Oliveira, Regional Under-Secretary for European Action and External Cooperation of the Azores government representing President Cesar, Mr Michel Biggi in his capacity as statistician and Jean-Didier Hache in his capacity as Executive Secretary of the Islands Commission.

Two stages in the process appeared to be especially important:

- A Council seminar on the EU budget review planned in early September
  - The Commission's proposed figures due out in April – May 2011.
- Besides the debate on the future of the budget and the financial resources allocated to cohesion policy, there was a second question concerning the regulatory framework, namely the way in which funds will be used by this policy. Mr Ahner acknowledged the need to take into account the situation of specific territories and stated that he was in favour of including criteria in legislation that would help to better address this within NUTS II Regions which are traditionally the level of intervention of regional policy.

Mr Ahner pointed out that although some regional authorities took the situation of their specific territories into consideration and made sure that a substantial share of available resources were allocated to them, this was not always the case. The Commission therefore intended to look at measures to be implemented from a regulatory point of view.

**It was pointed out to Mr Ahner that Commissioner Barnier (who had taken up a proposal put forward by the Islands Commission) had already suggested attributing higher ERDF co-funding coefficients to these territories in the draft Regulation concerning the current programming period, but that this had been rejected at the time by the Member States who were concerned to avoid restricting their room for manoeuvre.**

**Should the Commission plan to reintroduce this initiative, it would therefore be useful to ensure the full support of the European Parliament.**

- With regard to the Working Document on "Specific Territories", that the Islands Commission and other organisations had strongly criticised, Mr Ahner was prepared to ensure this was disregarded. The Director General agreed that more detailed and sophisticated studies should be undertaken to take into account the many different factors and improve on the remarks of the Commission's Green Paper concerning the analysis of these territories.

This type of study should address not only the difficulties, but also the potential sources of income, and highlight exchanges of good practices.

He reflected on the way in which a specific policy could be implemented with regard to these territories, given their wide diversity.

**It was pointed out to Mr Ahner that just because territories were considered to have a specific characteristic this was not synonymous with sameness, since the territories were by nature extremely diverse. Rather than a specific one-size-fits-all policy, it was felt that a framework should be established within the different legislative texts with a high territorial impact, which would allow them to benefit from a certain degree of flexibility and which the various territories could use accordingly depending on the realities on the ground, while respecting the principle of proportionality (the example of legislation on maritime cabotage was referred to here).**

**The importance of a study on the over-costs of infrastructures and services which would help to graduate the intensity of territorial handicaps was underlined.**

- In concrete terms, Mr Ahner agreed to a hearing of the Islands Commission (and probably also the other organisations) by the Commission's Inter-Services Group in charge of territorial cohesion, so that its views could be presented to the different directorates general concerned. This discussion would help to raise awareness among the different departments within the Commission with regard to what was required in order to implement the provisions laid down in Article 174 of the Treaty within the specific territories. The Director General also mentioned the organisation, in association with ESPON, of a seminar on specific territories.